



Credit Repair Expert Shares Insight Regarding Collection Agencies

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CA based Poser Tubes Credit Repair - San Francisco recently published a new blog post exploring whether paying off collections can help improve credit score. The company states that it is possible to improve credit scores this way, but there are certain methods that can be utilized to maximize the benefits a person receives from doing so. They hope that their advice can set people on the right path to resetting the clock on their credit history. Learn more here: <http://www.posertubes.com/credit-repair-san-francisco-ca/>.

As Poser Tubes notes in their blog post, "Credit is an important factor in maintaining your financial stability. In fact, bad credit can break deals you want to make, from big purchases to relatively minor things like getting a new credit card. Your payment history primarily decides your credit rating, and it can be tricky to maintain a positive score. One factor that can have a large impact on your credit file is collections."

As many are probably aware, falling behind on a few payments can often be remedied by investing only a little effort. However, consistently missing payments for an extended period may lead to the account in question being handed over to collections agencies, and this will inevitably have a negative impact on the associated credit report. Given that much more effort needs to be expended in order to reduce the harm

already done to the owner's credit score, the company strongly advises credit card holders from letting their payments fall so far behind.

However, Poser Tubes also acknowledges that a multitude of factors outside a person's control may lead to their credit score being damaged in this manner, so they are keen to share information to help people get out of such situations. To this end, their post begins by outlining the problem at hand.

"Debt-collection agencies (not credit repair specialists) specialize in collecting debts from customers where the original creditors have failed to get arrears on an account paid within a satisfactory period," says the company, adding that this is accomplished in two ways. They continue, "The original creditor, that is the company you originally owed the money to and took out the loan with, sells or assigns your debt to a collections agency. Companies usually turn people over to bill collectors if the amount you are paying them is not enough, or if you miss payments repeatedly. When you take out the original loan with the creditor, there is a clause permitting them to go to collections should you default."

This allows the original creditors to recoup some of their losses. While it may seem more profitable for them to hold out and try to obtain the full amount from the borrower, these situations are often considered unlikely to be resolved in the creditor's favor. As a result, they consider it more tenable to instantly take back some of their losses and write off the rest. Since this means the debt has been sold, the collections agency that purchased it has a strong incentive to collect the rest of the amount owed, especially since that is how they make their profit off the transaction.

"In the second option, the creditor still owns the debt, but they contact you using a collection agency. The agency retains a percentage of the money collected," says Poser Tubes. They clarify that, "The consumer can tell which of these options is being used by consulting the letters received from the debt collection agency. If you are asked to continue paying the original creditor, the debt will likely be owned by them."

There are a few advantages to be gained if an agency takes over the debt. For instance, this may mean that any associated charges or interest will effectively halt, giving the debt a flat amount that will not grow any larger if they need more time to pay it back. Poser Tubes cautions against making this presumption, however. They say, "It is important to remember that if the original creditor still owns the debt, they may continue to add fees and interest while the collection agency is contacting you. These charges are one of the reasons it is essential to engage with and respond to agencies quickly once they contact you; it could save you money."

Poser Tubes' full post, and their other entries, can be freely accessed through the company's website. More information regarding their credit repair services can be found here as well, as interested parties are welcome

to contact Cliff Cooper of Poser Tubes Credit Repair - San Francisco to follow up on any inquiries. Find the company here: <https://maps.google.com/maps?cid=12480793397499515439>.

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